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CENTERPIECE

A renter's market? Hundreds of new apartments help slow rent increases in Santa Fe

Follow Mike Easterling

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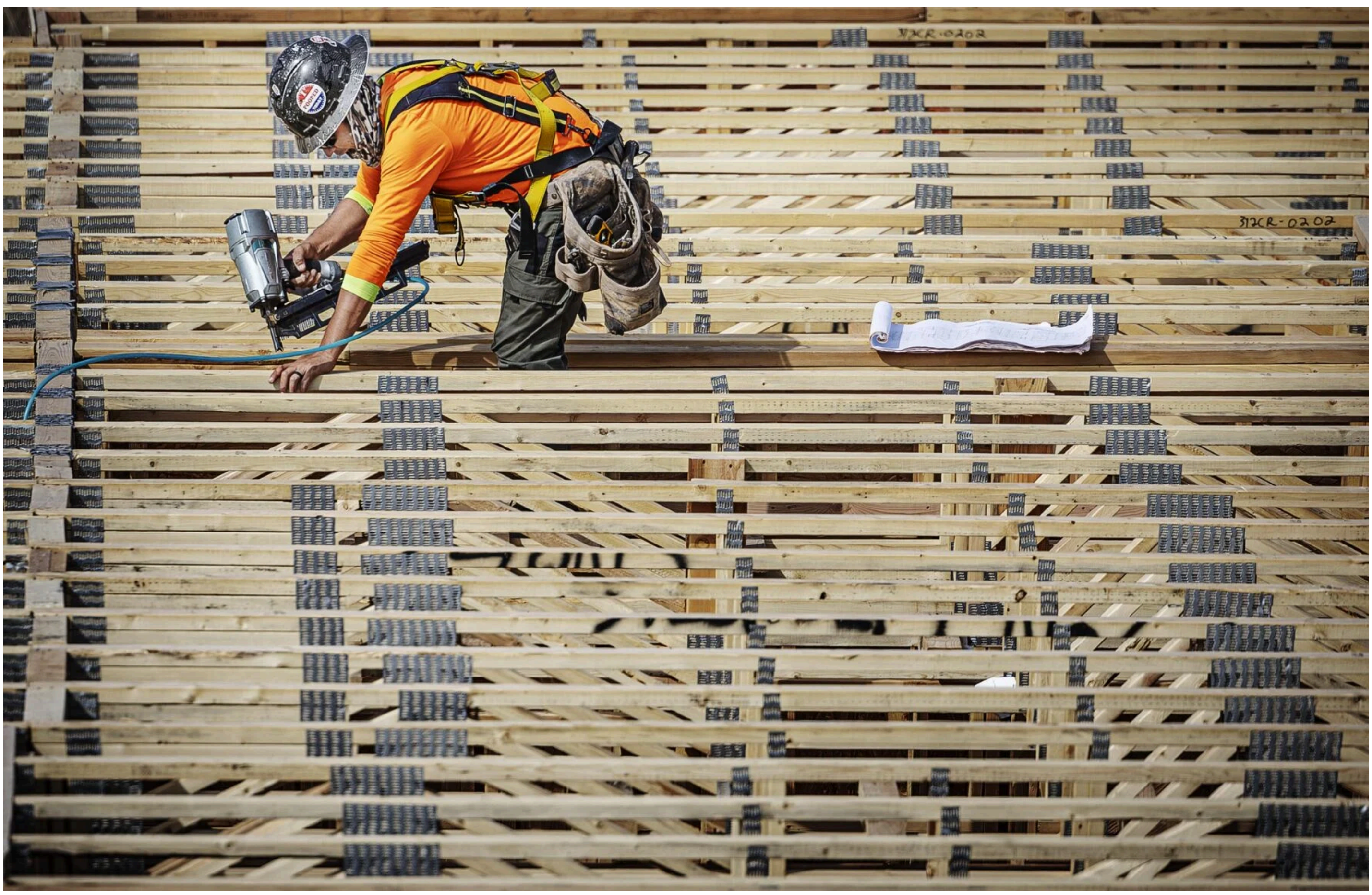
Oct 25, 2025



Workers install second-story roof trusses as construction continues Wednesday at the Cresta Ranch Apartments, a

The flashy mailers started arriving in Santa Fe mailboxes in midsummer and have continued largely uninterrupted.

They promise several weeks of free rent, a plethora of amenities and an active lifestyle while promoting bright, airy, ultra-modern apartments with high-end finishes.

The mailers — sent on behalf of new complexes like Presidium Casa Siena and Arcadia Santa Fe — represent a concerted effort by property management companies to fill hundreds of new housing units added to the city's inventory in 2025.

That aggressive marketing approach and those eye-catching offers represent a sharp departure from the recent past, when a limited supply of apartments in Santa Fe put landlords firmly in control, with rapidly escalating rents.

But no more.

A rising tide of multifamily housing construction in Santa Fe, with an estimated 900 to 1,100 new units newly available this year, has created a market much more favorable to renters, some industry observers say.

Peter Aberg, president of the Dallas-based Aberg Property Co. and the developer of the under-construction Zia Flats apartment project at South St. Francis Drive and Zia Road, goes so far as to call it a renter's market.

“Rent growth has stalled and, in some cases, declined a little bit because of all this new supply,” he said.

In one of the fastest-growing areas in Santa Fe, new luxury apartment complexes like Arcadia Santa Fe, Solwyn Apartments and Cielo Apartments have popped up near Presbyterian Santa Fe Medical Center. Some are just being completed.

New Mexican file photo

Many new developments that were trying to attract tenants with four, six or eight weeks of free rent a few months ago are now offering 10 or even 12 weeks, along with other enticements such as $500 gift cards, $99 move-in deposits or waivers of move-in fees.

“I think it’s unprecedented, certainly since we’ve been working in Santa Fe,” said Aberg, whose company built the Railyard Flats apartments in the Railyard District downtown and the Capitol Flats apartments on Cordova Road in the late 2010s.

Most of the new complexes have been built on the city’s south side, along Airport Road or east of Cerrillos Road and north of Interstate 25, including Arcadia, Turquesa, the South Meadows Apartments and Presidium Casa Siena.

“That all adds up to approximately 1,000 [new] units,” Aberg said, noting the the increased inventory is changing the dynamics of the local rental market.

Now, he said, renters have multiple new apartment complexes to choose from, most of them offering long periods of free rent for certain units. That could be taking a toll on some of the city’s older properties, which may be hemorrhaging tenants drawn to newer, splashier alternatives.

Occupancy rates across the city that were around 92% a year ago have fallen closer to 85% in 2025, he said in an interview in midsummer.

Surge in units

Santa Fe Mayor Allan Webber pointed to the “dramatic uptick in multifamily construction” in a recent memo to members of the City Council seeking support for his proposal to increase the city’s minimum wage.

Webber wrote that since 2018, the city has issued permits for 407 to 840 units per year, and several projects with more than 300 units are currently under construction.

“Altogether there are more than 2,500 multifamily units currently under construction and nearly 4,000 more multi-family units in the pipeline, as well as several hundred single family units,” Webber wrote.

That surge in apartment building has had an impact on rent increases, according to the memo.

“For example, data show that early 2025 rents have risen only about [0.5]% above rents from a year ago,” the memo states. “At this pace, rent growth will likely remain limited for several years as new units are completed and occupied. This is a positive trend for rent affordability.”

Construction continues Wednesday at the Cresta Ranch multifamily development on Cerrillos Road near Interstate 25. Some observers of Santa Fe's rental scene won't call it a renter's market just yet. But they acknowledge the market has changed from a couple of years ago, when skyrocketing rents and an extremely limited supply were the norm.

Jim Weber/The New Mexican

Still, rent costs remain stubbornly high in a city where many people already have found themselves priced out of the market — forced to live elsewhere and commute. According to Zillow, the mayor's memo states, the average rent in Santa Fe for a two-bedroom apartment is about $2,114 a month — out of reach for workers who earn less than $25 or $30 an hour in full-time employment.

The mayor's memo says a third of people employed in the city live outside Santa Fe County in more affordable areas such as Rio Rancho or Española and commute to the city for work.

Developers are experiencing financial pressures that could keep prices where they are, said Merritt Brown, a co-owner of SF Brown Inc., one of the partners in the Zia Station mixed-use development where Aberg's company is building the 244-unit Zia Flats.

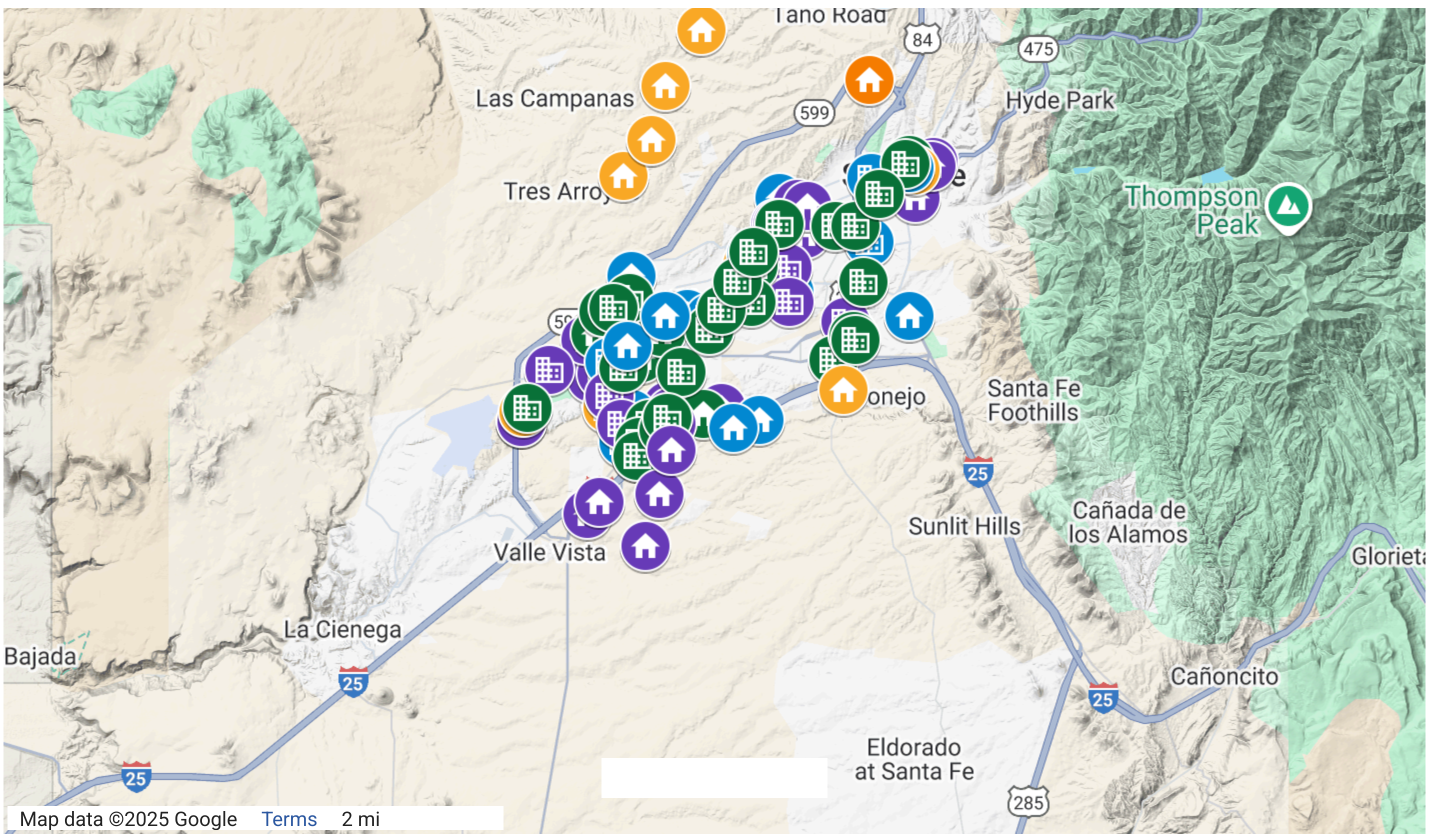
“With the run-up of actual construction costs, it’s not like rents are going to be coming down,” he said.

A major step up

Most of the new apartments in Santa Fe offer amenities such as resort-style pools, outdoor lounges, fitness facilities, dog parks, clubrooms, bar areas, pool tables, conference rooms, co-working spaces, movie theaters, garages, grilling stations, fire pits, extensive landscaping and gated entry — all of which require higher rent.

Inside the units are other lures like vinyl plank flooring, full-size washers and dryers, quartz countertops, walk-in closets, built-in shelves, rainfall shower heads, kitchen islands and stainless-steel appliances.

Santa Fe housing pipeline
The Santa Fe New Mexican
This map was made with Google My Maps. Create your own.



University of New Mexico student Alfonz Viszolay wasn’t necessarily looking for all those extras when he moved into Arcadia Santa Fe at the summer’s end.

Viszolay had been living in a cheaper apartment in Pojoaque that he described diplomatically as “incredibly rustic,” a unit where the HVAC system and even the water were not dependable.

Tired of those issues and attracted by the promise of two months of free rent, Viszolay moved into Arcadia in September, leasing an 800-square-foot unit.

“I pay about $2,000 a month for a one-bedroom, which I do feel is very high,” he said. “Not that long ago, that was a mortgage. It blows my mind, still.”

His new apartment is a major step up, Viszolay said, noting he likes the convenience of the location on Las Soleras Drive, near Presbyterian Santa Fe Medical Center. The complex is within walking distance of several restaurants, a pub, a coffeehouse, a Walmart, a credit union and several other businesses.

Viszolay, who is pursuing a career as a mechanical engineer, doesn’t take full advantage of the numerous amenities the complex offers. Still, he enjoys living at Arcadia, which he said seems to be filling up quickly in the short time he has been there, even as construction continues on part of the complex.

“The build quality was very good,” he said.

Even so, he isn’t sure he’ll be a long-term resident of the complex.

"I would rather live with less square footage and with less amenities for a lower price," he said. "It's about finding a balance."

'A rush to catch up'

The boom in multifamily housing here may have been inevitable, said Brown, one of the partners in the Zia Station mixed-use development.

"Santa Fe had a period of close to 20-some years with no activity, and it's been a rush to catch up ever since," he said.

But the increase in multifamily housing construction has taken place against a background of decreased activity in the single-family housing market, said Miles Conway, CEO of the New Mexico Home Builders Association and the former executive officer of the Santa Fe Area Home Builders Association.

"Based on my conversations with one of the big lumber suppliers, things have really slowed in single-family construction," he said, noting in particular the onset of some of President Donald Trump's long-promised tariffs in August and interest rates that haven't fallen quickly.

Those aren't the only reasons single-family construction has stalled, he said, calling the problem a "seven-headed hydra" that includes rising land and labor costs.

Conway said those elements have combined to drive more builders to construct multifamily housing, which may have caught some folks off guard.

"Not everybody saw that coming," he said.

Efforts are now underway to encourage more single-family housing construction.

Conway said the New Mexico Home Builders Association is promoting a flagship bill for the upcoming legislative session that would provide a $10,000 credit at closing for the purchaser of a new home, paid by the builder. The builder then would recoup the money by claiming a gross receipts tax credit after the house is sold.

The measure could be reviewed by a legislative interim committee as soon as this week, he said, adding the measure would directly make new homes more affordable.

“For every thousand dollars you take off the price of a home, 900 to 1,000 more New Mexicans now quality for the mortgage,” he said. “And we need to move the needle a lot on housing affordability.”

On the south side of Santa Fe, new luxury apartment complexes have been built along South Meadows Road, with El Camino Real Academy sandwiched between South Meadows Apartments and new single-family homes in the Aleksander Estates.

New Mexican file photo

Looking for relief

If recent trends hold and rent prices stabilize in Santa Fe, it would be welcome news to the tens of thousands of city residents who lease an apartment. Figures released earlier this summer by The Pew Charitable Trusts showed a 74% increase in median rent price in Santa Fe between 2017 and 2024 — about 2.5 times the national increase. That bump also exceeded the statewide increase of 58%.

Alex Horowitz, the director of a housing policy initiative for Pew who delivered a presentation to a legislative committee in August, blamed rent increases on a lack of new construction.

Other cities in the Southwest — Austin, Dallas, Phoenix, Salt Lake City and San Antonio, Texas — have seen rent costs fall by 1.4% to 6%. Those decreases occurred after state lawmakers in Texas, Utah and Arizona adopted legislation making it easier to build new housing, and developers responded.

“Why are rents rising so fast? ‘Cause there aren’t enough homes,” Horowitz told New Mexico lawmakers during his presentation.

Horowitz cited numerous building code reforms and bills designed to streamline permitting that were adopted by lawmakers in Colorado, California, Arizona, Texas and other states over the past several years. Those changes helped states increase their inventory of housing, he said, resulting in lower rent growth or even rent reductions in some major cities.

Pablo Ramirez lays block for a dumpster enclosure as construction continues Wednesday at the Cresta Ranch Apartments on Cerrillos Road near Interstate 25. The complex will be income-restricted, adding to the city's affordable housing supply.

Jim Weber/The New Mexican

Help could be on the way.

Conway expects proposals in the 2026 legislative session to make it easier to build rental housing in New Mexico, including measures that would allow for denser zoning, reduce the number of parking spaces required, make backyard casitas easier to build and allow residential construction in areas zoned for business.

“We need to put more energy into educating legislators and local governments into how big housing developments pencil out,” he said. “And we have.”

An attempt several years ago by the city of Santa Fe to address housing affordability has not produced the kind of results it supporters intended.

A 2016 city ordinance that requires developers to make 15% of the units in any new multifamily development affordable or pay a fee to the Affordable Housing Trust Fund has found few takers. City data shows all but two developers of multifamily projects built since 2016 have chosen to pay the fee rather than build affordable units.

Critics of the fee program long have contended it is robbing the city of affordable units when they are needed most and should be repealed. But proponents of the fee say it helped spur construction, which had come to a standstill.

Miguel Avelos frames apartments as construction continues Wednesday at the Cresta Ranch multifamily development on Cerrillos near Interstate 25.

Jim Weber/The New Mexican

How long will it last?

Aberg doesn't expect the city's apartment construction boom — which began about 2½ years ago — to last indefinitely. But several projects still on the horizon will continue adding to the inventory in the years ahead.

That list includes properties all over town. Zia Flats is scheduled to open in 2027, while the 129-unit ArtHouse project on the midtown campus on St. Michael's Drive, part of the first phase of developer Phillip Gesue's mixed-use Aspect Media Village — an anchor of the city's massive redevelopment of the former college campus — is scheduled for completion in the spring of 2026.

And Dr. Scott Herbert, president of Nexus Health, is leading a group of six partners in the construction of a multi-use project that will include a 330-unit apartment complex on Beckner Road in southern Santa Fe, between the Nexus Health Clinic and Presbyterian's Santa Fe Family Health Center.

A worker heads up to the roof of a three-story apartment building as construction continues Wednesday at the Cresta Ranch Apartments.

Jim Weber/The New Mexican

Gesue said he hasn't been closely following the rental market as he continues to monitor the work at Aspect Media Village and was largely unaware so many new apartments have opened.

"Anytime people tell me there's an oversupply of units when I'm getting ready to launch a project in a community, it's not a great thing to hear," he said.

But he seemed largely unfazed by the news, noting Santa Fe has lacked an adequate housing supply for a long time, and there are far fewer units in the midtown area than on the south side.

"More affordable space is a good thing for the south side of Santa Fe," he said. "For the overall health of the city, I think it's a great thing."

Aberg, too, pointed to what he sees as an advantage for both the Zia Flats and Aspect Media Village projects: He expects both to do well because of their location.

Gesue said the addition of new housing anywhere in the city is likely to be a good thing for Santa Fe.

"A housing crunch keeps businesses away and keeps families away," he said. "I would never be a person who would say we should constrain the housing supply."

Aberg acknowledged you don't know if a project will work until you build it and see the response.

Even so, he feels good about the future of Zia Flats.

"You take a snapshot of the market to get financing, then it takes two years to build it," he said. "Nobody knows what's going to happen in those two years. But we're predicting the market will be stable by then. We're cautiously optimistic."

About this series

Today

A rising tide of housing construction has changed the landscape of Santa Fe — and helped slow the rise in rent costs.

A lack of housing for the workforce at Los Alamos National Laboratory has helped drive a building boom in Santa Fe.

How much housing does the city need to end a shortfall? Industry leaders debate the numbers.

Monday

The city land use office — bogged by paper blueprints — moves forward with a modernization effort.

Rental rates and deals

A survey of available rentals listed on Zillow.com in the Santa Fe area Oct. 23 shows a variety of prices for studio, one-bedroom and two-bedroom units. Here is a sample of the rental rates:

Cielo Luxury Living Apartments, *5200 Beckner Road: $1,945 for one bedroom, $2,285 for two bedrooms.*

Olympus Rodeo*, 1475 Rodeo Road: $1,732 for one bedroom, $2,075 for two bedrooms.*

Acequia Lofts Santa Fe*, 2725 Agua Fria St.: $1,870 for one bedroom.*

Presidium Casa Siena*, 5750 Airport Road: $1,570 for a studio.*

Olympus de Santa Fe*, 955 Richards Ave.: $1,716 for one bedroom, $1,945 for two bedrooms.*

Solwyn Apartments*, 5520 Wellness Way: $1,715 for one bedroom.*

Madera Apartments*, 2525 South Meadows Road: $1,649 for one bedroom.*

The Mica*, 825 Calle Mejia: $1,737 for one bedroom.*

Turquesa*, 4700 Wagon Road: $1,700 for one bedroom.*

The Bluffs at Tierra Contenta*, 6600 Jaguar Drive: $1,799 for two bedrooms.*

Capitol Flats*, 950 W. Cordova Road: $1,620 for a studio, $1,693 for one bedroom, $2,598 for two bedrooms.*

South Meadows Apartments*, 2800 South Meadows Road: $1,503 for one bedroom.*

Railyard Flats*, 701 Camino de la Familia: $1,575 for a studio.*

Move-in deals

Several complexes are offering move-in specials. Here is a sample of what some advertised on their websites Oct. 24:

Arcadia Santa Fe: *Up to 12 weeks of free rent.*

Turquesa: *Up to 10 weeks of free rent and a $500 gift card.*

South Meadows Apartments: *Up to six weeks of free rent.*

Olympia de Santa Fe: *Up to six weeks of free rent and reduced move-in fees.*

Cielo Luxury Living Apartments: *Up to 10 weeks of free rent and no administrative fees.*

Presidium Casa Siena: *Up to 10 weeks free*

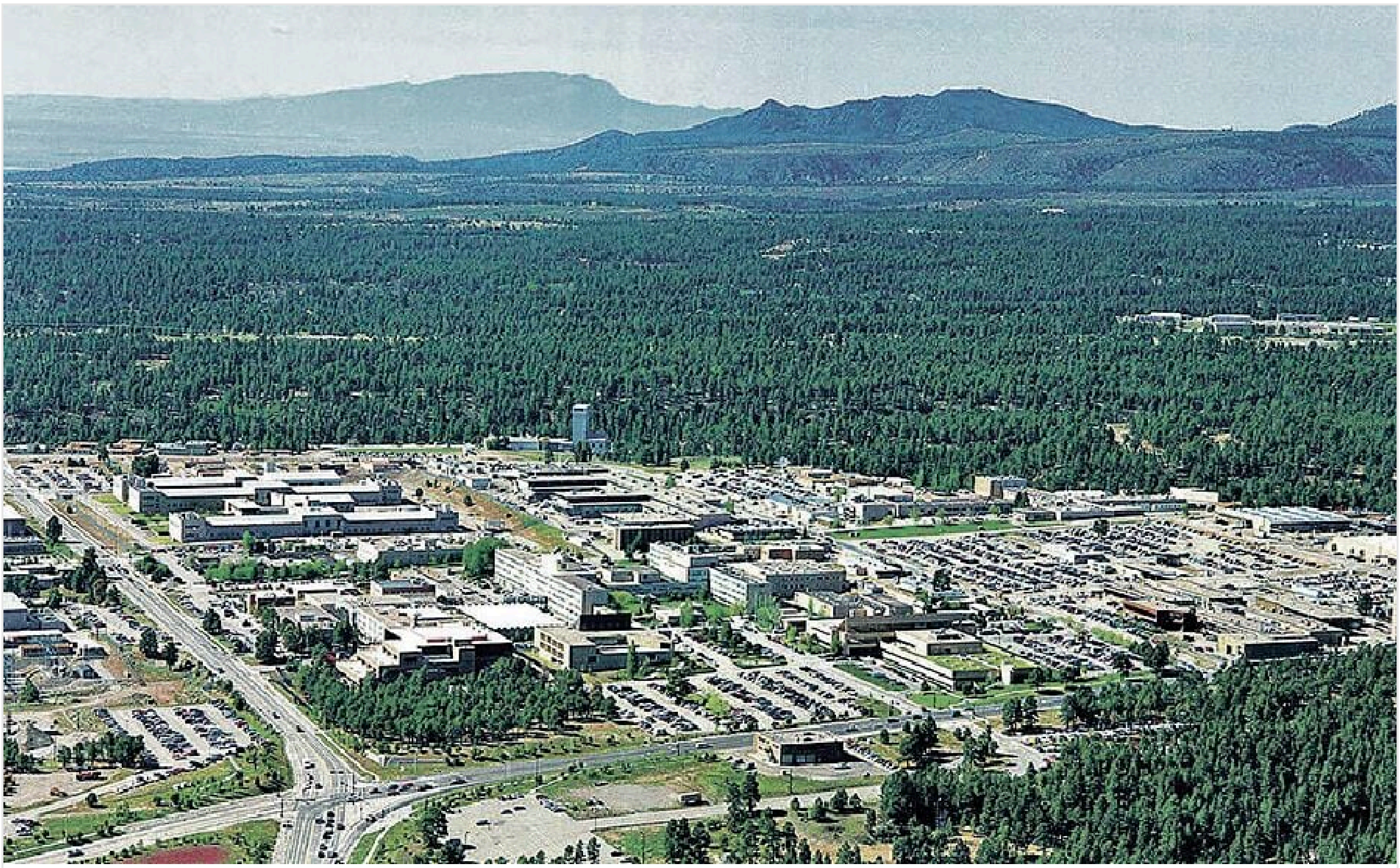
Solwyn Apartments: *Up to 10 weeks free.*

Capitol Flats: *Up to one month of free rent and reduced move-in fees.*

Takeaways

- Peter Aberg, the president of the Aberg Property Co., says the addition of 900 to 1,100 new units to Santa Fe's apartment inventory this year is helping flatten rental rates.
- Median rent in Santa Fe has been skyrocketing for years, growing 74% between 2017 and 2024, according to The Pew Charitable Trusts.
- Some property management companies in the city are offering free rent for up to 12 weeks as an enticement to potential tenants.

MORE INFORMATION



The LANL effect: Growing workforce at the lab puts strain on Santa Fe's housing market

Commonly cited figure for Santa Fe's housing deficit debated by industry observers

Expert: New Mexico's lack of action on housing regulations exacerbating shortage

New study touts feasibility of 'microapartments' in Santa Fe, other cities

Mike Easterling